

EXHIBIT 4  
DATE 1.19.07  
HB 40

**MADE IN MONTANA PRODUCTION SERVICES, LLC**

1627 W. Main St, Suite #330, Bozeman, MT 59715  
(406) 209-0622

January 16, 2007

Dear Sir or Madam:

I am pleased that you are considering HB 40 amending the Big Sky on the Big Screen Act. I've been working in the film industry for 30 years and have had the opportunity to be part of over 40 films and television shows grossing to date over a billion dollars. As a producer and first assistant director, in the making of these films and TV series, I have traveled to several countries, including Canada, and many states. However, I am extremely privileged and proud to call Montana my home.

My wife and I are full time residents of Gallatin County, where we are constantly reminded of the beauty and grandeur that this state has to offer to film and television production. But beauty and grandeur are not enough when seeking to build a viable film industry. In order to attract the film and TV business; an industry that can help local economies, small businesses, tourism, recent Montana College graduates, and industry professionals living in this state; innovative thinking is required on the part of statewide legislators and the state government to keep up with today's competitive marketplace.

This summer, my wife and I were part of the development and the filming of the feature film, "A Plumm Summer", which was produced in the Bozeman and Livingston areas. In fact, I'm sure some people would say I was the driving force in bringing this 3.5 million dollar film to the state of Montana. If Montana's current incentives were not as good as other states and countries why did I even consider this state as an option for filming this small town story? I live here and it truly upset me that I was scouting in Calgary to shoot another film, a film which was inspired by a true Montana story. The only reason for not picking Montana first and having to investigate other locations for our investors was the lack of more competitive incentives. Since "A Plumm Summer" was a small budget picture every dollar was needed to create a good film. So I persevered, and with the help of many parties, the decision was made to film here in spite of better tax incentives in other states. I also believed we needed to start kicking off some new projects in Montana otherwise the incentives would never be successful. My fight to bring the film here was also based on my knowledge of the filmmaking system; it is a system that likes to repeat its own successes and doesn't often take chances on new ideas or new places. Some type of film had to start it off for other filmmakers to follow, but to have them continue to follow in the future; improvements in the Big Sky on the Big Screen Act are needed.

Sitting at #16 out of the 16 states with incentives, Montana currently can not offer what other states can: a really nice lure that can help both smaller budget films and big budget pictures. And be aware that the money saved through the tax incentives is often spent right back in the state to help "put more money on the screen". Isn't it too bad, that Montana was on the bottom of the list as a location for this Montana story? Let's not make it so hard to convince investors our state should be at the top of the list.

It is true, our state offers a good crew base, wonderful support and hospitality, and a wealth of natural beauty, but these elements can only be kept in play by our legislation making a daring move and creating a better lure. I certainly don't expect other industry professionals in Montana to react the same way I did when scouting location - most people get upset and walk away. Be proactive, attract industry professionals to consider Montana, make the best lure you can to catch both the smaller and bigger budgeted films. I am just still learning about fly fishing but it seems to me one of the most important lessons ones learns is that it takes the right fly and the skill to manipulate it to end up with a fish on your line. Incentives should be considered one of the keys to keeping Montana film and TV industry professionals working, tourism flourishing, college graduates staying in Montana, and small business benefiting from millions of dollars being spent locally.

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You will probably read many more testimonials from people who will state more eloquently why we need incentives and many testimonials that will give you numbers and the sound logic and financial benefits behind these incentives. All I can say is - we are big state, let's get big with our incentives. Let's not focus on what was made here in the past but focus on what can be made here now. I know I'd prefer to make movies in my home state. I also promise, as a filmmaker and businessman, to do all I can to help bring film opportunities and business here. In closing, this bill should not be considered a Democratic or Republican bill but a bill that helps the state with increased revenues for small business and the working people of Montana.

Thank you for your time and consideration,

Sincerely,



Douglas C. Metzger  
3170 Two Moons Road  
Big Sky, MT

"Great discoveries and improvements invariably involve the cooperation of many minds."  
-Alexander Graham Bell

Representative Bob Lake  
House Taxation Committee  
Montana Legislature

January 12, 2007

Re: HB 40

Dear Bob,

I'm writing you in support of HB 40.

As I'm sure you'll agree it's vital that Montana establishes new sources of revenue for the state and quality jobs for its citizens.

Securing a steady stream of film and/or television production work for our state is a terrific goal and the potential revenues are impressive. For example: Jim Kouf (our neighbor in Darby) is producing the television series "The Ghost Whisperer" on CBS. Each episode costs approximately \$2,000,000 plus. Imagine if they shot it in our state? If so, I would guess that at least \$750,000 per episode would be spent on Montana salaries and goods and services. And when you multiply this by twenty-two episodes, that's \$16,500,000. (I use Jim's show as an example of potential, not probability.)

These potential revenues are highly sought after by states around the country. Thus, the question is how do we attract production to come here?

As you and I have discussed in the past, having a quality and trained work force is a key component. Our MAPS: Media Arts in the Public Schools program has been proactive in this area for the last three years. Our students have proven that their creativity and capabilities translate into jobs and I point to their "Hungry for Knowledge, Go to College" television and radio campaign as a recent example.

Therefore, I support increase in the incentives to production companies to come to our state. If we do so it will enable our state film officers to re-introduce Montana to potential clients with an enhanced incentive that is equal to the competition.

In closing, nothing ventured - nothing gained. If we do not remain competitive with other states, the likelihood of our securing production work diminishes. Despite popular opinion, "Hollywood" is a very bottom line driven business and I believe that our long term vision and objective should be to secure this viable revenue stream for our state.

Thanks for taking the time to consider this.

Sincerely,

Peter Rosten  
CEO/President  
MAPS: Media Arts in the Public Schools

Dear Members of the House Taxation Committee,

My name is Royce Gorsuch, and I am a Media and Theatre Arts student at Montana State University. I have an absolute passion and zeal for the film making craft and industry. I hold this same fervor for the state of Montana. Film is an industry which includes art, craft, and most important to your concerns; business. I worked on the feature film, *A Plumm Summer*, this past year. I know the incentives certainly helped our production from all aspects. For that I thank you. I started as an intern in the office, for the preproduction of the film, via the University system. I then moved up to a base level position as a Production Assistant. I worked under Mr. Doug Metzger on the film and thus found the greatest experience in my student/professional career. Since, I have been hired for several commercial projects, etc. in Montana. As a student, I am a National Collegiate Scholar.

As a newcomer, I receive calls for base level positions. I feel absolutely privileged to be working within the industry in Montana. It is so refreshing to aid our industry as well as my career while still in school. However, the jobs are sparse. It would be difficult to work in the business in Montana alone. The more projects the more work for others in my curriculum, as well as professionals.

As an aspiring filmmaker I would love to see these incentives in our beautiful state. A major attribute for us would be to create a job market for the graduates in the film and media programs. A major percentage of our graduates have to move to Los Angeles to get careers going. Imagine providing jobs to an industry which shows off our wonderful state, creates entertainment for the country, and keeps Montana pristine all at once.

A final note I'd like to point out, is the people in the film business. I went into my internship expecting to clean off golf clubs and wax cars. We all have to put in dues, right? The experience was anything but. My superiors treated me like a colleague. They taught, explained, and aided in my future. They were all first rate people, many of whom I still speak with regularly.

Mostly, I ask for review of our potential and future of this great state. Thank you.

Sincerely,

Royce Gorsuch



EXHIBIT \_\_\_\_\_  
DATE 1.19.07  
HB 40

January 13, 2007

Representative Bob Lake  
Chairman, House Taxation Committee  
Montana House of Representatives  
PO Box 200400  
Helena, MT 59620-0400

Dear Chairman Lake:

I am a lifelong Republican. My late father's best friend was Tim Babcock.

Due to a previous commitment, I will not be available to attend the hearing scheduled for Friday, January 19 regarding film and television production tax incentives. In lieu of my attendance, please submit this letter as my testimony in support of House Bill 40. My name is James W. Abel. I reside at 3665 Fort Laramie Drive in Billings, Montana 59102.

"The Big Sky on the Big Screen Act" passed with great difficulty along party lines in 2005. Its passage was due, in part, to a strong effort from Montana's community of television and film production professionals. I was proud to have been involved.

Along the legislative way, the Act was diluted to a point where it could not compete equitably with other states or Canada. Today, new legislation is before the House which is intended to allow Montana to compete fairly for clean and substantial production dollars from producers who want to come here but, without competitive consideration, will not.

This issue is not now, nor was it in 2005, a political one. The Act was introduced by Governor Schweitzer's office, not because it was a Democrat idea, but because it was a good idea. ***Please keep in mind that had Bob Brown won the governorship, his platform would have included virtually the same legislation that came to be known as "The Big Sky on the Big Screen Act."***

Film and video production is a business not unlike others. It will go where it makes the most economical sense. If there is a significant savings realized by shooting in New Mexico, or Utah, or Canada (which there still is), the production is very likely to give up everything Montana has to offer to save the bottom line. Montana loses.

Video & Film Production  
3665 Fort Laramie Drive  
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Jim Abel - Testimony on HB40, page 2

But even watered down, "The Big Sky on the Big Screen Act" has been a good start. Montana has seen positive results and can expect *disproportionately more* if the tax incentives are returned to the levels originally proposed.

It is also critical to point out that "caps" placed on the tax incentives have virtually excluded all "big budget films" from production in Montana. It can be looked at in this way; ten "low budget" films can take full advantage of the tax incentives currently in place while one "big budget film" can only realize a fraction of the savings. Montana loses big. By eliminating the caps, Montana will again be on the map for large productions like *3:10 To Yuma*, now filming in New Mexico (Russell Crowe, Christian Bale and Peter Fonda).

**To date, the "biggest" film ever made in Montana was *Far and Away* in 1991, with a direct impact to the Billings area of over \$7 million.** Ron Howard brought that film to Montana, not because the story took place here, but because Montana looked like Oklahoma. Today it is fair to believe that Ron would think either New Mexico or Canada looks even *more* like Oklahoma than Montana does because he could save money by taking advantage of the more competitive incentives offered there. **Montana would be the big loser.** That is the nature of the business. Many films shot in Canada have become financial hits when they could have been shot in Montana and flopped due purely to higher costs. Producers are charged with making a profit. Montana must compete.

All things considered, any vote against this measure must be seen as an attempt to make "The Big Sky on the Big Screen Act" fail - purely for political reasons. The Schweitzer Administration has worked hard and effectively to attract production even though the current incentives are not competitive. However, without being competitive, we are missing the biggest part of the success. Other than petty politics, why would anyone want this effort to fail?

Two years ago, when working toward the passage of the original legislation, I concentrated on Republican members of the House and Senate largely because I have always considered myself a Republican.

The Republican members I addressed seemed to listen and did not disagree with the points I made in support of the legislation. But, when it came to a vote, Republicans voted "no". Their published reasons indicated, at best, a lack of understanding and, at worst, a vote against a good idea purely because it was submitted as Democrat legislation.



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I believe Republicans would have supported "The Big Sky on the Big Screen Act" had it been part of a Republican Administration plan. I also believe their votes against it failed the best interests of the state. For that, I am ashamed, alarmed and disappointed.

I ask that you to please consider the successes other states have found in offering incentives to filmmakers. This is not a cost. It is a bottom line gain. New Mexico probably compares better to Montana than any other state. Its successes are well documented and have resulted almost exclusively from the implementation of the same kinds of incentives you are now considering.

For a summary on New Mexico, please see *The Hollywood Reporter*, September 20, 2006. A copy of that issue is available from The Montana Film Office. Or, please contact *Film New Mexico* (New Mexico Film Office) at 800-545-9871 -or- [film@nmfilm.com](mailto:film@nmfilm.com).

HB40 is an excellent opportunity for legislators on both sides of the aisle to demonstrate bipartisanship in supporting legislation that is clearly a win/win situation for Montana. To that effect, please contact any New Mexico legislator who DID NOT support their tax incentive legislation. Ask where he or she stands on that legislation today.

Thank you for your consideration. If you have questions, please do not hesitate to call me.

Sincerely,



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